

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

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TO SECSTATE WASHDC 3439

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

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AMCONSUL BELFAST

AMCONSUL EDINBURGH

USNMR SHAPE

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DEPARTMENT PASS TO LABOR, TREASURY AND FRB

E.O. 11652: N/A

TAGS: ELAB, PINT, UK

SUBJECT: VOLATILE MINERS POSE INDIRECT PAY POLICY THREAT

1. BEG SUMMARY: BRITISH MINERS, UNPREDICTABLE AS EVER,
YESTERDAY (JULY 6) VOTED TO SUPPORT INDIRECT CHALLENGES
TO THE GOVERNMENT-TUC PAY-TAX POLICY -- A DAY AFTER THEY
AD REJECTED A LEFT-WING LED EFFORT TO REINSTATE A 100
POUND A WEEK PAY DEMAND. THE NEW CHALLENGES INVOLVED
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EARLY RETIREMENT AND HOLIDAY DEMANDS. END SUMMARY.

2. ON MONDAY, JULY 5, THE NATIONAL UNION OF MINERS (NUM) AT ITS ANNUAL CONFERENCE ON THE ISLE OF MAN REJECTED BY A VOTE OF 145,000 TO 128,000 A LEFT-WING LED EFFORT BY MINERS FROM YORKSHIRE, SCOTLAND, SOUTH WALES AND OTHER AREAS TO REINSTATE RESOLUTIONS CALLING EITHER FOR A "RETURN TO FREE COLLECTIVE BARGAINING" OR FOR A 100 POUND A WEEK WAGE DEMAND. (THE RESOLUTIONS HAD BEEN EXCLUDED EARLIER BY JOE GORMLEY, NUM PRESIDENT' ON THE GROUNDS THAT THEY VIOLATED THE TUC-GOVERNMENT PAY-TAX ACCORD WHICH THE RECENT PIT BALLOT VOTE HAD ENDORSED.)

3. YESTERDAY, DESPITE A PLEA OPPOSING IT BY GORMLEY, THE NUM EXECUTIVE, VOTING 13-9, SUPPORTED A RESOLUTION - - TO BE DEBATED AND PRESUMABLY ADOPTED TODAY -- FROM THE MODERATE NOTTINGHAM AREA WHICH CALLS ON THE NATIONAL COAL BOARD (NCB) TO REDUCE RETIREMENT FROM THE PRESENT AGE 65 TO 60 BY JANUARY 1, 1977, WITH A PHASED REDUCTION TO 55 BY 1980. THIS RESOLUTION ALSO PROVIDES FOR A BALLOT TO DECIDE APPROPRIATE INDUSTRIAL ACTION IF NECESSARY. ANOTHER RESOLUTION CALLING FOR A FOURTH WEEK'S HOLIDAY TO BE IMMEDIATELY IMPLEMENTED WAS APPROVED BY 177,000 TO 96,000. BOTH OF THESE MEASURES, IF IMPLEMENTED, WOULD BE VERY COSTLY AT A TIME WHEN THE GOVERNMENT IS ANXIOUS TO HOLD DOWN PUBLIC EXPENDITURES AND WHEN THE LIKELIHOOD IS GROWING THAT IT MAY ANNOUNCE PUBLIC EXPENDITURE CUTS. THEY, OF COURSE, REFLECT A CHALLENGE TO THE TUC-GOVERNMENT PAY-TAX ACCORD, HOWEVER VALID THEY MIGHT BE IN A NORMAL COLLECTIVE BARGAINING CONTEXT.

4. WHETHER THESE DEMANDS BY THE MINERS MIGHT LEAD TO STRIKE ACTION LATER ON IS UNCERTAIN NOW. THE NUM, ALTERNATIVELY, MIGHT EXTRACT PROMISES OF FUTURE ACTION BY THE GOVERNMENT WHEN THE ECONOMIC SITUATION EASES. CYRIL PLANT, TUC CHAIRMAN, MADE IT CLEAR TO THE CONFERENCE THAT THE TUC WOULD NOT GIVE SUPPORT TO ANY GROUP OF WORKERS CHALLENGING THE PAY-TAX ACCORD. (THIS IS IN CONTRAST TO THE STAUNCH SUPPORT THE TUC GAVE THE NUM IN THE 1974 STRIKE.) ANTHONY WEDGWOOD BENN, SECRETARY OF STATE FOR ENERGY, SPOKE LATER IN THE AFTERNOON. HE GAVE LIMITED OFFICIAL USE

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A STRAIGHTFORWARD, ESSENTIALLY NON-POLITICAL ADDRESS ON THE ENERGY SITUATION. HE ALSO SAID THAT THE GOVERNMENT WOULD LOOK AT THE MINERS' DEMANDS FOR EARLY RETIREMENT' BUT HE ALSO MADE IT CLEAR THAT THE GOVERNMENT WAS NOT IN A POSITION TO DO VERY MUCH AT THIS TIME.

5. COMMENT: THE MINERS' ACTION YESTERDAY ILLUSTRATES NOT ONLY THE VOLATILITY AND UNPREDICTABILITY OF THIS

GROUP OF WORKERS, BUT ALSO THE STRAINS WHICH ARE INHER-
ENT IN A RELATIVELY RIGID PAY RESTRAINT POLICY. THE
THIRD PAY ROUND IS VERY LIKELY GOING TO BE A MUCH MORE
LIBERAL POLICY IN ORDER TO DEAL WITH THESE AND SIMILAR
STRAINS AND TO REFLECT WHAT JACK JONES HAS REFERRED TO
AS "AN ORDERLY RETURN TO FREE COLLECTIVE BARGAINING."
(AT THE CONFERENCE, CYRIL PLANT TOLD US THAT HE EXPECTS
SOME FORM OF PAY POLICY FOR SOME YEARS TO COME.)

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